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Hi,

Sympower welcomes the opportunity to contribute with our insights to the proposed amendments to the BRP/BSP TCMs (Terms, Conditions and Methodologies). Sympower also attended the recent hearing in March where we engaged in discussions concerning the potential consequences of several provisions within the adopted BRP/BSP TCMs.

It is our firm belief that a well-functioning and non-discriminatory market environment is essential for the sustainable growth and development of the energy sector. To this end, we appreciate and encourage Statnett to actively engage with market participants, particularly the new market entrants such as aggregators including independent aggregators, to comprehend their perspectives and challenges within the existing framework of the BRP/BSP TCMs.

Here are our concerns, comments, and questions, as some were also discussed during the March hearing:

Multiple BRP aggregation

As we read the current version of BSP/BRP TCMs, it will only be possible to pool resources from a BRP in one bid. This prohibits aggregation through multiple BRPs within the same "stasjonsgruppe". This restriction poses a considerable obstacle for BSPs to be able to operate as independent aggregator. This limitation contrasts with the principles outlined in the EBGL, which permits multiple BRP aggregation, thereby facilitating flexibility and operational efficiency within energy markets. EBGL article 18 permits the aggregation within a scheduling area while there is no prohibition for aggregation through multiple BRPs.

"EBGL Article 18 (4) (b) The terms and conditions for balancing service providers shall: allow the aggregation of demand facilities, energy storage facilities and power generating facilities in a scheduling area to offer balancing services."

EBGL, in different articles, also explicitly stipulates that BSPs can use resources under one or more BRPs applying to providing both balancing energy and capacity.

"EBGL Article 16 (2) Each balancing service provider shall submit to the connecting TSO its balancing capacity bids that affect one or more balance responsible parties."

EBGL Article 18 (4) (d) The terms and conditions for balancing service providers shall: require that each balancing energy bid from a balancing service provider is assigned to one or more balance responsible parties to enable the calculation of an imbalance adjustment pursuant to Article 49.

EBGL Article 18 (5) (c) The terms and conditions for balancing service providers shall contain: the rules and conditions for the assignment of each balancing energy bid from a balancing service provider to one or more balance responsible parties pursuant to paragraph 4 (d);"

Not allowing multiple BRP aggregation can also create a hurdle for customers who wish to sign up with their preferred BSP independently from their supplier (BRP). Requiring resources to be aggregated under the same BRP implies that if a customer wishes to switch its supplier (BRP), the customer would also need to change its preferred BSP involuntarily to a BSP that operates under the new supplier/BRP (in case the new supplier has a different

BRP). This introduces a potential challenge for customers aiming to change their suppliers. A multiple BRP aggregation enhances market competition, enabling customers to select their desired energy suppliers independently of their preferred BSP.

Agreement between BRP and BSP

Furthermore, the requirement for the BRP/BSP agreement as a prerequisite for BSPs to participate in the market warrants careful consideration. We express profound concerns regarding the potential implications of this requirement. Firstly, it has the potential to create formidable barriers to market entrance for BSPs, as they may be subjected to unreasonable conditions within the BRP/BSP agreement framework set by BRPs, potentially resulting in an impasse and hindrance to market participation.

Secondly, there is a huge risk that the terms set forth within such BRP/BSP agreements could inadvertently foster anti-competitive practices and facilitate the sharing of commercially sensitive information. An example is the required agreement between a BSP1 (which is not a BRP) and a BRP1 that is also active as BSP2. This opens up the possibility of sharing commercially sensitive information from BSP1 to BSP2.

These factors may pose a risk of discriminatory treatment between two groups of actors, subjecting them to varying levels of requirements. These two groups consist of actors functioning solely as BSPs and actors functioning as BSPs and also serving as BRPs. This is in conflict with principles set out in EBGL.

"EBGL Preamble (8) The rules defining the role of balancing service providers and the role of balance responsible parties ensure a fair, transparent and non-discriminatory approach. Moreover, the rules concerning the terms and conditions related to balancing set out the principles and roles by which the balancing activities governed by this Regulation will take place, and ensure adequate competition based on a level-playing field between market participants, including demand-response aggregators and assets located at the distribution level."

Grouping of balancing service provider's resources

We've encountered challenges in aligning the definitions in the current BRP/BSP TCMs, specifically "Reguleringsobjekt" and "Stasjonsgruppe," with those outlined in SOGL and EBGL. Additionally, the connection between the resource grouping in the BRP/BSP TCMs for FRR

(aFRR and mFRR) providers and the grouping for FCR providers in the latest FCR conditions published by Statnett appears unclear. To promote uniformity across different market segments, we propose that Statnett aligns the definitions and groupings of providers' resources with those in SOGL and EBGL (namely, reserve providing units/groups) or provides a clear explanation of how "Reguleringsobjekt" and "Stasjonsgruppe" relate to the SOGL and EBGL definitions and classifications of providers' resources.

"EBGL Article 2 (6) 'balancing service provider' means a market participant with reserve-providing units or reserve-providing groups able to provide balancing services to TSOs; SOGL Article 2 (10) 'reserve providing unit' means a single or an aggregation of power generating modules and/or demand units connected to a common connection point fulfilling the requirements to provide FCR, FRR or RR; SOGL Article 2 (11) 'reserve providing group' means an aggregation of power generating modules, demand units and/or reserve providing units connected to more than one connection point fulfilling the requirements to provide FCR, FRR or RR;"

Prequalification

Based on our interpretation of the existing BRP/BSP TCMs, there's a mandate for every "Reguleringsobjekt" to undergo prequalification. Given that the prequalification for FRR resources is governed by Article 159 of SOGL, we reference this article to recommend a shift towards prequalification at the reserve providing unit/group level, rather than the individual prequalification of each "Reguleringsobjekt," in alignment with the stipulations set forth in SOGL.

"SOGL Article 159 (2) A potential FRR provider shall demonstrate to the reserve connecting TSO or the TSO designated by the reserve connecting TSO in the FRR exchange agreement that it complies with the FRR minimum technical requirements in Article 158(1), the FRR availability requirements in Article 158(2), the ramping rate requirements in Article 158(1) and the connection requirements in Article 158(3) by completing successfully the prequalification process of potential FRR providing units or FRR providing groups, described in paragraphs 3 to 6 of this Article.

SOGL Article 159 (3) A potential FRR provider shall submit a formal application to the relevant reserve connecting TSO or the designated TSO together with the required information of potential FRR providing units or FRR providing groups."

Aggregation of different technologies in the same group

Moreover, the current TCMs does not allow for the aggregation of different technologies within the same "stasjonsgruppe". This limitation hinders the flexibility and efficiency of resource aggregation and is in conflict with principles set out in EBGL. We advocate that BSPs should be allowed to combine various types of resources, such as generation units, demand units, and energy storage units, within a single reserve providing group. This approach will enable market participants, including independent aggregators, to optimally manage their portfolios by selecting the most efficient resource mix for delivering balancing services.

"EBGL Article 18 (4) (b) The terms and conditions for balancing service providers shall: allow the aggregation of demand facilities, energy storage facilities and power generating facilities in a scheduling area to offer balancing services."

In our understanding of the present TCMs, the possibility for aggregating energy storage with either demand units or generation units within the same group is subject to an evaluation by Statnett, contingent upon the intended use of the aggregated entities. However, the criteria for what constitutes eligible planned use for such aggregation, as well as the details of the assessment process itself, remain unspecified.

FCR providers not seen as BSPs

From our interpretation of the current BRP/BSP TCMs and the insights gathered during the March hearing, it appears that, according to Statnett's interpretation referencing the EBGL's definition of balancing capacity, FCR is not deemed as balancing capacity. Consequently, the governance of FCR provider conditions is proposed to fall under system responsibility provisions. In the most recent revision of these conditions, the possibility for indirect market participation has been removed, limiting FCR market access exclusively to BRPs. We seek further clarification on the regulatory framework applicable to independent aggregators desiring access to the FCR markets, as well as an indicative timeline for the implementation of such rules.



In conclusion, we underscore the significance of stakeholder engagement and emphasise the necessity of considering diverse perspectives to ensure the effective functioning of the energy market. By addressing stakeholders concerns, Statnett can facilitate efficiency, sound competition, and sustainability within the sector, paving the way for a robust and prosperous energy landscape.

We appreciate the opportunity to contribute to this consultation process and remain eager to engage in further dialogue to refine the BRP/BSP TCMs.

Yours sincerely,

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